

WOKING COMMUNITY FURNITURE PROJECT – APPLICATION FOR FINANCIAL ASSISTANCE

Executive Summary

The Woking Community Furniture Project is a local, registered charity that provides donated furniture, household goods, and electrical items at low cost to people in Woking and the surrounding area, with a special focus on discounted prices for those in the community needing help. The Project has applied for revenue funding of £21,560 for the coming year to cover costs that have to-date been met by the regular income of the Charity, namely the costs of one Shop Manager and a driver. The basis for the application is the loss of business suffered as a result of improvement work in the Town Centre which has left the Charity with a short term and unplanned shortfall which to date has been funded from reserves.

It is not felt that the application has provided sufficient justification for the Council to award revenue funding in the coming year and, in line with the Officer comments, it is recommended that the application is not supported.

Recommendations

The Executive is requested to:	RESOLVE That no grant be awarded.
Reason for Decision	It is not considered that the application has demonstrated sufficient justification for the Council to fund the existing services of the Project.

The Executive has authority to determine the above recommendations.

Background Papers:

2019/20 Application Form.

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1.0 Summary of Application

1.1 Status and Aims	<p>The Woking Community Furniture Project was formed in September 1996 with the objective of relieving poverty and providing employment opportunities through the collection and provision of furniture, electrical items and housewares to those in need in the community.</p> <p>The Project collects items that would otherwise go to landfill, thus providing an immediate environmental benefit. The Project then supplies the items to those suffering financial hardship, providing an economic and social benefit. The service is largely provided by volunteers (frequently the long term unemployed, or those with mental health/addiction issues, and those on community service), thereby providing an additional social benefit and a pathway to full time employment.</p>
1.2 Employees	7, comprising the Project Director/Shop manager/Driver (40 hours per week), Admin/Bookkeeper/PAT Tester (40 hours per week), a Driver/PAT Tester (32 hours per week), a Driver (16 hours per week), and three Shop Managers (24 hours, 32 hours and 16 hours per week).
1.3 Volunteers	<p>14, whose activities include administration, customer service, PAT Testing, stock control including labelling, pricing and display, warehouse assistance, delivery and collection assistance, cleaning and building maintenance, minor repairs and refurbishments. Typically volunteers will perform identical tasks to staff and mirror them in their roles.</p> <p>In regard to volunteer numbers, the applicant has advised that the Project was supported by 35 community service personnel, who provided just under 3,600 hours of assistance. The Project also accommodates supported volunteers from organisations including Surrey Choices, Catalyst and Surrey Independent Living.</p>
1.4 Clients/Users	<p>3,691, comprising:</p> <p>1,808 male</p> <p>1,883 female</p> <p>480 disabled</p> <p>2,325 ethnic minority</p> <p>3,320 resident in Woking</p> <p>The Project applies variable charges dependent on items purchased based in part on quality. Typical charges are set out below:</p> <p>Sofa £40, Wardrobe £30, washing machine £70, microwave £15, chest of drawers £20, and a bed £25. However, clients referred to the Project by local agencies and who are certified as being on low incomes receive a 50% discount on above prices.</p> <p>Referral agencies include Woking Borough Council, Citizens Advice Woking, Age Concern, several local housing associations and several NHS related agencies.</p> <p>A significant proportion of users are on low incomes. Once referred a user can access the service at the discounted rate for a year.</p>

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1.5 Members	None.						
1.6 Sum Requested	£21,560 (Revenue)						
1.7 Project	<p>The funding will offset the Project's running costs via payment of the salary of the Chapel Street Shop Manager and one of the part time drivers for a year. This is intended to assist the Project through the difficult period presented by Woking town centre's regeneration which has had a significant impact on the operational revenues. The funding would ensure that the Project can maintain its current level of provision for both service users and assisted volunteers.</p>						
1.8 Cost breakdown:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Chapel Street Shop Manager salary:</td><td style="width: 60%;">£14,000</td></tr> <tr> <td>Driver (2 days per week):</td><td>£7,560</td></tr> <tr> <td>Total costs:</td><td>£21,560</td></tr> </table> <p>The applicant has advised that the elements above have previously been funded from the Project's own revenues. However, the level of income has been affected negatively over the last year by Woking's town centre regeneration and attendant traffic restrictions. The Project anticipates that the situation will improve once the town centre work has been completed, though predicates that it will take time to rebuild the lost customer base. The application before the Executive seeks assistance until such time that the works have been completed and the customer base has been built up.</p>	Chapel Street Shop Manager salary:	£14,000	Driver (2 days per week):	£7,560	Total costs:	£21,560
Chapel Street Shop Manager salary:	£14,000						
Driver (2 days per week):	£7,560						
Total costs:	£21,560						
1.9 Community Benefit	<p>The applicant has advised that the funding will assist all of the Project's beneficiaries (circa. 3700) together with the staff and volunteers. The Project's customers will be able to access the full range of services without the fear of price increases or reduction/removal of discounts for those on low incomes. The Project would also be able to retain the assisted places for volunteers and the funding would secure the continued employment of the shop staff and one of the part time drivers.</p> <p>The applicant has advised that the service provided is not available elsewhere in the Borough and that the service provided targets those most in need. There is also an environmental benefit, with approximately 90 tonnes of landfill avoided.</p>						

2.0 Financial Background	
2.1 Budget	<p>At the time of the application, the Group held £47,968 in the bank. The sum of £13,305 represents restricted grants for PAT Testing and a new EPOS (Electronic Point of Sale) system.</p> <p>The Group has submitted a budget for 2019/20 which shows an anticipated income of £125,750 against an anticipated expenditure of £125,085, resulting in an anticipated surplus of £665.</p> <p>Anticipated income includes shop sales (£86,000), eBay sales (£3,000), donations (£14,500), gift aid (£17,000), and bank interest (£250). Items of expenditure include salaries (£104,226), utilities (£4,590), transport (£4,590), marketing (£408), insurance (£3,621), expenses (£1,785), fees (£1,836) and IT (£1,530).</p>

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2.2 Accounts	The Group has submitted accounts for 2017/18 which show an income of £127,317 against expenditure of £137,585, resulting in a deficit of £10,268. The sum of £182,315 was carried forward at the end of the 2017/18 year.
2.3 Support over the past five years	New application.

3.0 Assessment of Application

3.1 Key Information	<ul style="list-style-type: none"> <input type="radio"/> Constitution Yes <input type="radio"/> Registered Charity Yes <input type="radio"/> VAT Registered Yes <input type="radio"/> Equal Opportunities Policy Yes <input type="radio"/> Safeguarding Policy Yes <input type="radio"/> Reserves Policy Yes <input type="radio"/> Quality Mark No <input type="radio"/> Other funding sources pursued Yes <input type="radio"/> Other support by the Council Yes* <input type="radio"/> Fundraising Yes <input type="radio"/> Two quotes N/A <input type="radio"/> Regular monitoring provided previously N/A <p>*Mandatory and Discretionary rate relief.</p>
3.2 Consultee Comments	<p><u>Sylvie Marshall, Community Development Manager</u></p> <p>Woking Community Furniture Project collects unwanted furniture and electrical items from the local community and provides these items at low cost to families and individuals in need, who live in Woking and the surrounding areas. The Project is largely supported by volunteers and provides valuable work skills, work experience and support to the long-term unemployed and disadvantaged in the community. Many volunteers suffer from Mental Health illness and have been unable to sustain employment elsewhere.</p> <p>Funding has been requested to cover its Chapel Street Shop Manager salary (£14,000) and part-time Driver salary (£7,560). The Project has identified that revenue from the Chapel Street shop has fallen as a result of the Town Centre regeneration project, in particular pavement renewal and roadworks. Woking Community Furniture Project believes that support from the Borough Council will enable the shortfall to be met and services to continue with recovery achievable in the next financial year.</p> <p>Whilst I understand and appreciate the benefits brought to the local area by the work that Woking Community Furniture Project undertakes, I do not recommend at this stage that funding be allocated for this project.</p>

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3.3 Assessment	<p>The Woking Community Furniture Project has applied for revenue funding of £21,560 for the coming year to cover costs that have to date been met by the regular income of the Charity, namely the costs of one Shop Manager and a driver. The basis for the application is the loss of business the Charity argues it will suffer as a result of work in the Town Centre. The request may have ongoing cost implications if supported, with the applicant indicating that it would seek the Council's support until the building work has been completed and the number of customers has returned to the levels seen before the building work.</p> <p>The Project believes that the ongoing work in the town centre has resulted in the Chapel Street shop in particular suffering heavily, with revenues falling from over £500 per week before the inception of the roadworks in May 2017 to under £200 per week since the pavement renewal in Chapel Street itself (an impact of approximately £16,000pa). In addition, it is believed that there has been an impact, though less significant, on the income of the North Road shop in Maybury.</p> <p>The applicant has advised that this has left the Charity with a short term and unplanned shortfall which to date has been funded from reserves. The support of the Council would enable the Project to recover from the downturn, moving into a stable position again in the following year. The include closing the Chapel Street shop, reviewing the discounts given to referred customers or charging for the support given to volunteers from such organisations as Catalyst, Surrey Choices and Surrey Independent Living.</p> <p>The Project anticipates that the end of the disruption in the town centre will help it recover its previous break even position, with the Chapel Street shop recovering to its previous revenue levels over time. If this is not the case the Project will consider closing the shop or reducing/curtailing other activities.</p> <p>Whilst the Charity has applied elsewhere for funding (the Community Foundation for Surrey – £9,700 for IT and the Henry Smith Charity – £3,605 towards the salary of a PAT tester), the majority of its income is through the charity shops it operates (the budget anticipates an income of £86,000 through shop sales in the coming year).</p> <p>It is not felt that the application has provided sufficient justification for the Council to award revenue funding in the coming year and, in line with the Officer comments, it is recommended that the application is not supported.</p>
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